

VZCZCXRO3634  
PP RUEHLH RUEHPW  
DE RUEHIL #0016/01 0030523  
ZNR UUUUU ZZH  
P 030523Z JAN 08  
FM AMEMBASSY ISLAMABAD  
TO RUEHC/SECSTATE WASHDC PRIORITY 4167  
RUEHBUL/AMEMBASSY KABUL PRIORITY 7990  
INFO RUCPDOC/DEPT OF COMMERCE WASHDC  
RUEHC/DEPT OF LABOR WASHDC  
RHEBAAA/DEPT OF ENERGY WASHINGTON DC  
RUEATRS/DEPT OF TREASURY WASHDC  
RUEHRC/DEPT OF AGRICULTURE WASHDC  
RHEHNSC/NSC WASHDC  
RUEHNE/AMEMBASSY NEW DELHI 2585  
RUEHBUL/AMEMBASSY KABUL 7991  
RUEHLH/AMCONSUL LAHORE 4491  
RUEHKP/AMCONSUL KARACHI 8548  
RUEHPW/AMCONSUL PESHAWAR 3126

UNCLAS SECTION 01 OF 03 ISLAMABAD 000016

SIPDIS

SENSITIVE BUT UNCLASSIFIED

DEPT - PLEASE PASS TO USAID, USTR, USTDA

SIPDIS

E.O. 12958: N/A

TAGS: [ECON](#) [PGOV](#) [PK](#) [ETRD](#) [EAID](#) [PREL](#) [AFGHAN](#)

SUBJECT: IMPLEMENTATION OF RECONSTRUCTION OPPORTUNITY ZONES REQUIRES IMMEDIATE COORDINATED INTER-AGENCY ACTION

ISLAMABAD 00000016 001.3 OF 003

//////////ZFR//////////ZFR//////////ZFR/ //////////  
//////////PER DRAFTER, PLS ZFR IMI ZFR (CANCEL) ISLAMABAD///  
//////////MRN 0016 SECTIONS 01 THRU 03 DTG 030523Z JAN 08///  
//////////AND BLANK IMI BLANK ALL ASSOCIATED MCNS. MSG WILL  
//////////BE RESENT UNDER NEW MCNS/MRN. SORRY FOR ANY AND ALL//  
//////////INCONVENIENCES////////// ////////// ////////// ///////////////

ISLAMABAD 00000016 002 OF 003

¶16. (SBU) Transit Trade. Recommendations include USG support to update the bilateral 1965 Afghan Transit Trade Treaty which governs the movement of goods between Afghanistan and Pakistan. TDY exports are requested to coordinate and develop a mutually acceptable working draft.

¶17. (SBU) Labor. Recommendations include improvements in labor inspections, labor standards, and best practices for companies on both sides of the border. TDY technical experts are requested to assist in training and reestablishing labor inspections.

¶18. (SBU) Investment Incentives. Recommendations include working with the Governments of Afghanistan and Pakistan to develop their internal incentives to lure investment to the targeted ROZ locations.

¶19. (SBU) Financing. Recommendations include development of creative financial incentives and structures which will allow multinational corporations and smaller local business to operate in these difficult areas.

¶10. (SBU) Infrastructure Upgrades. Existing industrial parks in Afghanistan and in the border areas of Pakistan will make ideal locations to designate as the initial ROZ sights, however some infrastructure upgrades will be necessary to meet safety codes and ensure attractiveness to international companies.

¶11. (SBU) Training and Institutional Development. Vocational and

skills training targeted specifically to the product sectors which will receive duty free preferences has the potential to transform the region by employing the scores of youth seeking a positive focus.

¶12. (SBU) Market Outreach and Trade Promotion. Duty free preferences are not successful if not included as part of a coordinated plan to help move goods to awaiting markets. Capacity building for local producers and buyers will open doors and connect these isolated regions to the world economy.

¶13. (SBU) Agriculture and Forestry. Recommendations include capacity building for agricultural development of best practices, improved production, safety standards and livelihood empowerment of women and youth. TDY technical experts are requested to assist in assessing the current agricultural situations and determining areas where USG assistance would be most effective in the ROZs.

¶14. (SBU) Embassy Islamabad would also request that the SCA bureau lead the efforts for outreach to the Afghan and Pakistani Embassies in Washington. Close coordination with Afghan and Pakistani counterparts in Washington will be essential not only for Congressional approval but also for reinforcing the implementation coordination taking place with Ministries in Islamabad and Kabul.

¶15. (SBU) This message and the supporting initiatives chart has been coordinated with Embassy Kabul. The supporting initiatives chart has been sent via unclassified email to the following people in Washington:

For the Department of State: Richard Boucher; Caitlin Hayden; Don Camp; Allysa Aries; John Fox; Edward Wittenstein; Daniel Sullivan; Bill Craft; Christian DeAngelis; Colin Guest; Edwin Sagurton; Alfred Anzaldua; Mark Mittlehauser; Leo Gallagher; Jack Spillsbury; Neil Kromash; Shamila Chaudhary; Michael O'Malley; Richard Sacks; Rozina Damanwala

For USTR: Claudio Lillenfeld; Scott Quesenberry, Lewis Karesh, James Murphy; Aaron Rosenberg

For Commerce: Susan Hamrock, Awinash Bawle

For Treasury: Stephaine Segal, Gordona Earp, Timothy Skud, Andrew Bauckol,

For OPIC: Dolce Zahnister, Kevin Callahan

ISLAMABAD 00000016 003 OF 003

For US Agriculture: Mark Keenum, Ellen Terpstra, Michael Yost, Constance Jackson, Kirk Miller, Pat Sheikh, Chuck Alexander, Frank Lee, Ross Kreamer, James Dever

For AID: Mark Ward, Lisa Chiles, Kay Freeman, Nitin Madhav, James Walker, William Butterfield,

For NSC: Elizabeth Millard, Patricia Mahoney, John Harriman

For Labor: Charlotte M. Ponticelli, Lawrence W. Casey, Rachel Rigby

For Department of Homeland Security: Marisa Lino, Karen Marmaud, Michael Feinberg, Jamie Zwieback, Mark Mullen, Luke Bellocchi, Janet Labuda, Brian Fennessy

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